

Registration number: 3463891

Westfield UK Property Development Limited

Report and Financial Statements

31 December 2018



DIRECTORS	Jonathan Hodes	
	Peter Miller	(resigned 31 July 2019)
	Leon Shelley	(resigned 29 June 2018)
	Amanda Beattie	(appointed 20 June 2018, resigned 31 July 2019 and appointed 1 August 2019)
	Olivier Bossard	(appointed 31 July 2019)
COMPANY SECRETARY	Gillian Houinato	
	Thomas Merrifield	(appointed 5 December 2018)
REGISTERED OFFICE	4th Floor 1 Ariel Way London W12 7SL	
AUDITORS	Ernst & Young LLP 1 More London Place London SE1 2AF	

DIRECTORS' REPORT

The Directors present their Report for the year ended 31 December 2018.

DIVIDENDS

The Directors do not recommend the payment of a dividend at the balance sheet date (2017: £nil).

PRINCIPAL ACTIVITY

The principal activity of Westfield UK Property Development Limited ('the Company') is property development.

GOING CONCERN

Note 1 sets out the basis upon which the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

FUTURE DEVELOPMENTS

The Directors anticipate that the activity of the Company will continue for the foreseeable future.

EVENTS SINCE THE BALANCE SHEET DATE

There have been no significant events after the balance sheet date.

DIRECTORS AND INDEMNITY

The Directors who served during the year and up to the date of this report are set out on page 1.

Each Director of the Company shall be indemnified by the Company against all liabilities, costs and expenses incurred in the execution and discharge of their duties. The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

STRATEGIC REPORT

The Company has taken the exemption under Section 414B of the Companies Act 2006 from the requirement to prepare a Strategic Report for the financial year.

DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as each person who was a Director at the date of approving this Report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that they are obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

DIRECTORS' REPORT (Continued)

AUDITOR

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

Approved by the Board of Westfield UK Property Development Limited

Director: 

Name: Jonathan Hodes

Date: **27 SEP 2019**
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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTFIELD UK PROPERTY DEVELOPMENT LIMITED

OPINION

We have audited the financial statements of Westfield UK Property Development Limited for the year ended 31 December 2018 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTFIELD UK PROPERTY DEVELOPMENT LIMITED (Continued)

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report and from the requirement to prepare a Strategic report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTFIELD UK PROPERTY DEVELOPMENT LIMITED (Continued)

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Peter Campbell (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: *30 September 2019*

INCOME STATEMENT**for the year ended 31 December 2018**

	Note	2018 £	2017 £
Turnover	2	7,284,024	68,461,296
Cost of sales		<u>(4,840,505)</u>	<u>(29,744,694)</u>
Gross profit		2,443,519	38,716,602
Administrative expenses		<u>(20,320)</u>	<u>(19,062)</u>
Operating profit	3	2,423,199	38,697,540
Interest receivable and similar income	4	<u>1,711,789</u>	<u>139,793</u>
Profit on ordinary activities before taxation		4,134,988	38,837,333
Tax charge on profit on ordinary activities	7	<u>977,033</u>	<u>(1,577,102)</u>
Profit for the year		<u><u>5,112,021</u></u>	<u><u>37,260,231</u></u>

STATEMENT OF COMPREHENSIVE INCOME**for the year ended 31 December 2018**

	2018 £	2017 £
Profit for the year	<u>5,112,021</u>	<u>37,260,231</u>
Total comprehensive income for the year	<u><u>5,112,021</u></u>	<u><u>37,260,231</u></u>

All amounts relate to continuing operations.

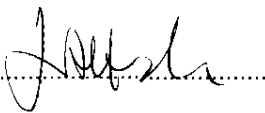
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2018

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2017	1,000	163,928	164,928
Profit for the year	-	37,260,231	37,260,231
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	37,260,231	37,260,231
At 31 December 2017	<u>1,000</u>	<u>37,424,159</u>	<u>37,425,159</u>
At 1 January 2018	1,000	37,424,159	37,425,159
Profit for the year	-	5,112,021	5,112,021
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	5,112,021	5,112,021
At 31 December 2018	<u>1,000</u>	<u>42,536,180</u>	<u>42,537,180</u>

STATEMENT OF FINANCIAL POSITION
as at 31 December 2018

	Note	2018 £	2017 £
CURRENT ASSETS			
Development property	8	3,041,173	2,406,929
Debtors	9	45,454,032	44,660,308
Cash at bank and in hand		<u>157,833</u>	<u>20,344,682</u>
		48,653,038	67,411,919
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	10	<u>(6,115,858)</u>	<u>(29,986,760)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>42,537,180</u>	<u>37,425,159</u>
NET ASSETS		<u>42,537,180</u>	<u>37,425,159</u>
CAPITAL AND RESERVES			
Called up share capital	11	1,000	1,000
Profit and loss account		<u>42,536,180</u>	<u>37,424,159</u>
SHAREHOLDER'S FUNDS		<u>42,537,180</u>	<u>37,425,159</u>

Approved by the Board of Westfield UK Property Development Limited

Director 

Name: Jonathan Hodes

Date: **27 SEP 2019**

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2018**1. ACCOUNTING POLICIES****STATEMENT OF COMPLIANCE**

Westfield UK Property Development Limited (the 'Company') is a limited company incorporated in the United Kingdom. The registered office is 4th Floor, 1 Ariel Way, London, W12 7SL.

The Company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Company for the year ended 31 December 2018.

BASIS OF ACCOUNTING

The financial statements have been prepared on the going concern basis, in accordance with applicable accounting standards in the United Kingdom and in accordance with the Companies Act 2006. The financial statements are prepared in sterling which is the functional and presentational currency of the Company.

SUMMARY OF DISCLOSURE EXEMPTIONS**Cash flow statement**

The Company is a qualifying entity as defined by FRS 102. Consequently, the Company has taken advantage of the disclosure exemption available under FRS 102 Section 1.12(b) from preparing its own Cash Flow Statement, as a consolidated Cash Flow Statement which includes the cash flows of the Company, is published in the group financial statements of Unibail-Rodamco-Westfield SE, the ultimate parent company.

Related party transactions

The Company is a qualifying entity as defined by FRS 102. Consequently, the Company has taken advantage of the disclosure exemption available under FRS 102 Section 1.12(e) from the disclosure requirement of Section 33 Related Party Disclosures paragraph 33.7.

GOING CONCERN

The Directors have made an assessment of the Company's ability to continue as a going concern for a period of at least 12 months from the date of the approval of these financial statements. That assessment has taken into account the current funding position of the Company, cash flow forecasts, sensitivities to the key assumptions in the forecast cash flows and the principal risks and uncertainties.

Based on their assessment the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DEBTORS

Debtors are initially measured at transaction price. The amounts presented in the Statement of Financial Position are net of provisions for doubtful debts. An allowance for impairment is made where there is an identified loss event, which evidences irrecoverability of the debtors. Any losses arising from impairment are recognised in the income statement in other operating expenses.

CREDITORS

Creditors are initially measured at transaction price. Creditors are classified as creditors falling due within one year unless the Company has an unconditional right to defer settlement for at least 12 months from the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2018**1. ACCOUNTING POLICIES (Continued)****FINANCIAL INSTRUMENTS**

Financial instruments are initially measured at the transaction price (including transaction costs) unless the arrangement constitutes a financing transaction. A financing transaction may take place in connection with the sale of goods or services, for example, if payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate. If the arrangement constitutes a financing transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Basic debt instruments are measured at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of cash expected to be paid or received (i.e. net of impairment) unless the arrangement constitutes a financing transaction. If the arrangement constitutes a financing transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

REVENUE RECOGNITION

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received or receivable excluding Value Added Tax and discounts allowed from the rendering of services to external and related parties.

Revenue recognised from the rendering of services represents amounts recoverable for the provision of property development and management services and is recognised on an accruals basis. Revenue is recognised on an accruals basis for services rendered by reference to the stage of completion of the contract activity at the end of the reporting period, when the outcome of a contract can be estimated reliably. Revenue on land disposals is recognised when the risks and obligations associated with the assets are transferred to the acquirer.

FINANCE INCOME AND COSTS POLICY

Interest receivable is recognised as interest accrues, using the effective interest method. All interest receivable is recognised in the income statement.

All costs incurred directly in the arrangement of loans are included within the carrying value of loan balances. Such costs are charged to the income statement over the term of the loan.

Interest payable is recognised as interest accrues, using the effective interest method. All interest payable is charged to the Income Statement, except where specifically attributable to development work in progress when it is capitalised into the cost of the asset.

CONTRACT AND DEVELOPMENT WORK IN PROGRESS

Contract and development work in progress has been valued at cost plus attributable overheads or net realisable value, if lower. Cost includes attributable interest costs during the development period.

The net realisable value of development stock is dependent upon estimates of future sale price less any further costs expected to be incurred in completing and selling the development stock. Such estimates are subject to uncertainty in light of current market conditions where property assets are relatively illiquid.

CURRENT TAX

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current period or past reporting periods using tax rates and laws that have been enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2018

2. TURNOVER

The analysis of the Company's turnover for the year from continuing operations is as follows:

	2018 £	2017 £
Sales to related parties		
Management fee income	50,000	25,000
Sales to third parties		
Sale of land held as trading stock	-	60,000,000
Development and construction revenue	7,234,024	8,436,296
	<u>7,234,024</u>	<u>68,436,296</u>
	<u>7,284,024</u>	<u>68,461,296</u>

3. OPERATING PROFIT

This is stated after charging auditor's remuneration for the audit of the financial statements of £8,700 (2017: £8,450). No non-audit services were provided during the current or prior year.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2018 £	2017 £
Interest payable to related parties	-	(308,768)
Interest receivable from related parties	1,692,420	139,793
Other interest payable	(1,077)	-
Net borrowing costs included in cost of development work in progress	-	308,768
Bank interest receivable	20,446	-
	<u>1,711,789</u>	<u>139,793</u>

5. STAFF COSTS

The Company has no employees (2017: nil).

6. DIRECTORS' REMUNERATION

The Directors did not receive any remuneration during the year in respect of their services provided to the Company (2017: £nil).

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2018

7. TAX (CREDIT)/CHARGE ON PROFIT ON ORDINARY ACTIVITIES

(a) Tax (credit)/charge on profit on ordinary activities

The tax (credit)/charge is made up as follows:

	2018 £	2017 £
Current taxation		
UK corporation tax at 19% (2017: 19.25%)	(977,033)	1,577,102
Tax on profit on ordinary activities (Note 7(b))	<u>(977,033)</u>	<u>1,577,102</u>

(b) Factors affecting total tax (credit)/charge for the year

The tax assessed on the profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

	2018 £	2017 £
Profit on ordinary activities before tax on continuing operations	<u>4,134,988</u>	<u>38,837,333</u>
Corporation tax at standard rate	785,648	7,476,187
Expense not deductible	-	18
Income not taxable	(19)	-
Group relief not paid for	(785,629)	(3,596,270)
Utilisation of brought forward losses	-	(2,302,553)
Tax rate changes	-	(280)
Adjustment from previous periods	<u>(977,033)</u>	<u>-</u>
Total tax (credit)/charge for the year (Note 7(a))	<u>(977,033)</u>	<u>1,577,102</u>

(c) Factors that may affect future tax charges

The standard rate of corporation tax in the UK reduced from 20% to 19% with effect from 1 April 2017. Accordingly, the Company's profits for the accounting period are taxed at an effective rate of 19% (2017: 19.25%).

The corporation tax rate will reduce to 17% from 1 April 2020. As at the balance sheet date this future tax reduction has been enacted and hence in accordance with accounting standards, the effect has been reflected in the Company's financial statements as at 31 December 2018. The rate changes will impact the amount of future tax payments to be made by the company.

The Company has tax losses arising in the UK of £8,677,417 (2017: £13,142,907) that are available indefinitely for offset against future taxable profits arising in the Company. A deferred tax asset of £1,475,161 (2017: £2,234,294) has not been recognised at 17% (2017: 17%) on the basis that there is insufficient evidence that the asset will be recoverable. The asset would be recoverable if there were suitable profits to offset the losses.

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2018

8. DEVELOPMENT PROPERTY

	2018 £	2017 £
Development work in progress	3,041,173	2,406,929

9. DEBTORS

	2018 £	2017 £
Trade debtors	654,620	-
Amounts due from related parties (see Note 12)	42,775,338	44,660,308
Other debtors	1,039,220	-
Corporation tax recoverable	984,854	-
	<u>45,454,032</u>	<u>44,660,308</u>

10. CREDITORS: amounts falling due within one year

	2018 £	2017 £
Trade creditors	74,382	88,338
Amounts due to related parties (see Note 12)	579,682	8,354,863
Other creditors	-	11,841,280
Accruals and deferred income	5,461,794	8,125,177
Corporation tax	-	1,577,102
	<u>6,115,858</u>	<u>29,986,760</u>

11. SHARE CAPITAL

Allotted, called up and fully paid shares

	2018 £	2017 £
1,000 Ordinary shares of £1 each (2017: 1,000)	<u>1,000</u>	<u>1,000</u>

12. RELATED PARTY TRANSACTIONS

All related party balances and transactions are with other wholly owned group undertakings.

The Company has taken advantage of the exemption provided under FRS 102 Section 33.1A and has not disclosed related party transactions between two or more members of a group provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2018

13 PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

The immediate parent undertaking of the Company is Westfield Europe Limited, a company incorporated in the United Kingdom.

The ultimate parent undertaking and controlling entity of the Company is Unibail-Rodamco-Westfield SE, a company incorporated in France. Unibail-Rodamco-Westfield SE is also the parent of the largest group in which the Company is consolidated. Copies of the accounts of Unibail-Rodamco-Westfield SE are available from 7 Place du Chancelier Adenauer, 75116, Paris, France.

Westfield Corporation Limited is the parent of the smallest group in which the Company is consolidated. Copies of the accounts of Westfield Corporation Limited are available from Level 4, Deutsche Bank Place, 126 Phillip Street, Sydney, NSW 2000, Australia.